

# Crafting a Successful Proposal

The key to a successful proposal is to respond exactly to what is requested in the solicitation. No matter how attractive a proposal may be, agencies will not consider it if it is declared “non-responsive.”

## Ten Steps To a Successful Proposal

- 1.) Make a copy of the solicitation. Save the original in a file where you can track the paper trail to what was originally received. Use a copy for a working file. Do the same with every document received in connection with the solicitation – correspondence, amendments, etc.
- 2.) Read the solicitation carefully and determine its type. Find and attach a copy of every clause and document that is incorporated by reference. Most people find a ring binder is a convenient way to manage these documents.
- 3.) Mark everything in the proposal that requires action (all verbs or action words). A yellow highlighter is good for this, and/or colored stick-on notes. Use one color for actions required to prepare the proposal, and a different color for actions required in performing the contract that effect the price or time you propose.
- 4.) Make a plan. Decide who will participate in preparing the proposal and who will do what. If it is a complex proposal effort, you might make a list of all the action items identified in Step 3, with due dates and responsibility assigned. Make sure everyone understands how each person’s responsibilities relate to everyone else’s. Have one person responsible for coordinating all the effort. If only one person is doing everything, it is still helpful to list all the action items with due dates, to keep the effort on track. Avoid making the plan so elaborate that it detracts from its purpose – the proposal itself.
- 5.) Implement the action items. This step will be discussed in detail shortly.
- 6.) Compile all the documents necessary for a complete proposal. Put them into the same sequence that they are called for in the solicitation. Put a cover page on top clearly identifying the name of the offeror, the solicitation number, the date and time due, and the customer’s name and address. Have it properly signed in the proper number of copies. Save one copy in your permanent file to be kept intact as a paper trail for audit; save another copy in your working file. If you require additional copies for distribution within your organization, try to keep these to a minimum, both for confidentiality and to avoid waste. Do not bind the copies being submitted unless the instructions say to do so. Some customers prefer loose-leaf proposals so that they can easily disassemble them for distribution to the proposal evaluation team.

- 7.) Control the bid-period communications carefully. Throughout the proposal evaluation period, all contact with the customer should be through one point of contact in your organization, and should be documented. They may ask for clarification of a point in your proposal. Respond in writing, even if it's fax or e-mail, and include your understanding of the inquiry along with your answer in your response. Keep a clear paper trail.
- 8.) If the customer initiates formal negotiations, remember that public agencies are highly regulated about how they may conduct negotiations. Know your customer and learn their procedures. Ask for help. Be sure to document everything carefully. Do not agree to anything until you are sure how it links to other terms. Make a list of everything you do agree to as you go along, and at the end, ask your customer to confirm that this constitutes everything.
- 9.) When you get the contract documents, check them over carefully, comparing to the list of things agreed to, and be sure the contract reflects only what you intended. Make a working copy and save the original in your audit-trail file. Distribute "confirmed" copies of the signed contract as appropriate. (A confirmed copy is a photocopy of the entire contract, exactly as it was signed.) If you distribute confirmed copies, keep a list of everyone who gets a copy and be sure to also send them confirmed copies of any amendments/modifications that occur throughout the life of the contract.
- 10.) Perform the work as agreed. A happy customer leads to additional orders.

### Specific recommendations

#### **A.) Determine type of solicitation: (#2 above)**

**IFB** = Invitation For Bid: The price complies exactly with what is specified, no deviations. Customer either accepts it, constituting a contract, or rejects it; there is no negotiation.

**RFP** = Request for Proposals: The proposer describes how they would go about doing the work required for the price offered. The proposer and the customer negotiate and either mutually agree on a contract or agree not to have a contract.

**RFQ** = Request for Quotations: You submit your product or service and your price for what they are considering buying but it is not an offer, just for information. If customer decides to buy, they issue a contract or purchase order to you, and a contract doesn't exist until you accept the order or begin performance.

**RFQ** = Request For Qualifications: The first step in a solicitation process, the customer asks professional services firms to submit qualifications, and only those firms deemed qualified will be asked to submit proposals.

## **B.) Determine contract type:**

**FFP** = Firm Fixed Price: Offer one “bottom line” lump sum price for all work including all materials, labor, overhead, supplies, general and administrative expenses, and profit. The supplier will not be allowed to add anything to their invoice, unless the extra charge was agreed upon in advance of being incurred and the contract price has been formally modified in writing.

**CPFF** = Cost Plus Fixed Fee: Provide a detailed breakdown of the estimated costs, both direct and indirect, and the supplier will be allowed a certain specific dollar amount for profit and fee. The supplier will be allowed to invoice for actual costs incurred, or for actual costs paid for and due for reimbursement (depending on the contract terms), and each invoice may include a proportion of the fee. Costs that exceed the agreed estimate require advanced approval and may or may not be accepted.

**T&M** = Time and Material: The supplier will offer a fully loaded hourly rate for all classifications of workers to be utilized on the job. These rates must include all wages, fringes, overhead, supervision, supplies, general and administrative expenses, and profit, and the supplier will not be allowed to bill for any other related costs. The supplier will be allowed to bill for the actual cost of materials incorporated into the work, usually with no markup. If a markup on materials is required, it must be an audited rate for material handling costs only, and these costs must not be included in the labor billing.

**IDIQ** = Indefinite Delivery Indefinite Quantity: The supplier will offer a firm fixed unit price for each line item, usually of goods but sometimes of clearly defined services. These prices include all labor, materials, supplies, overhead, general and administrative expenses, and profit and no additional markup is allowed. If quantity discounts are offered, it must be clear whether the quantity specified applies to each shipment or to the contract as a whole over time. The customer will order whichever items they need at whatever time they need it, and there is no guarantee that they will buy any amount.

Other contract types are usually variations on these, mostly in how the fee/profit is calculated, sometimes with an incentive for early completion or better performance. Sometimes a hybrid type is used, such as part of the work at FFP and the rest at T&M, for example.

### C.) Be Absolutely Responsive To Everything the Solicitation Documents Require

- When forms are provided, be sure to fill them in completely and provide authorized signatures when asked. Plan ahead in case the proper person is not available at the last minute, and allow time for notarizing if that is required.
- When information is requested but forms are not provided, be sure to provide a narrative or other presentation of that information, following the solicitation's format exactly. If you must offer something different, it is critical that you first respond to the solicitation as it is presented, then present your alternate or substitute.
- Address the envelope or parcel correctly and be sure to get it there on time (allow time for extra security procedures by the U. S. Postal Service for articles over 16 ounces).
- Sometimes very crucial requirements or instructions are buried in the fine print, such as insurance requirements that you might be required to certify to in your bid. Read it all carefully; in time, you will get familiar enough with the contents of each clause to skim it quickly for pertinent points, but until then, be very careful you don't overlook something that is required for your bid.
- **Remember that all your effort will be wasted if your bid is thrown out as non-responsive.**

### D.) Writing Tips

- First impressions count. The typed proposal should be neat and organized.
- Use headers and footers to clearly identify every page, so if the proposal is disassembled, it will be clear whose proposal each piece belongs to. Number every page and use at least one-inch margins all around. Put the company's logo on the cover or title page if appropriate. Put the company name and the solicitation number in headers or footers on every page.
- When a proposal requires a written narrative description of how the proposer would go about the work, have it written by someone who can write; at least have a qualified editor review it before it is finalized. A misplaced comma or misspelled word can cost money if it results in misunderstandings about what the price is intended to include and exclude. If more than one person will contribute sections to the proposal, an editor can help remove distracting distinctions between their writing styles, and compare the sections to be sure there are no conflicting statements.

- The writing style should be simple and direct. Use active rather than passive voice. Use declarative sentences of no more than two or three clauses. Use common language when technical or legal terminology is not really necessary. Pursue each point in logical, step-by-step manner and complete each idea before proceeding to the next.
- Use the spell-check and pay attention to grammar and syntax: be sure subject and predicate are either singular or both plural, and modifiers match the words they modify (“A person knows their own mind” is wrong because “person” is singular and “their” is plural.) If the reader is fluent in English, and has to struggle to figure out what you mean or is distracted by bad grammar, the proposer will suffer. If the reader is not fluent in English, good grammar may help and bad grammar will not help.
- If the proposal contains proprietary data or confidential data clearly mark it so. When a bid is submitted to a public agency, everything submitted is public information, unless the proposer clearly protects the rights to any of it. One statement on the cover page won’t adequately protect all the contents. **Every** page that contains proprietary data must be clearly marked. Remember that proprietary data is any information that the proposer has a legitimate reason to keep secret; if it has been patented, it is no longer secret anyway.

#### **E.) Format of the Proposal**

- Follow the format specified in the solicitation. Occasionally, no format is provided, so the proposer may create the format. Advice varies on what format is best. Sometimes, it is much like a mini-business plan, and there is business plan software on the market to help organize such a presentation. Here are some suggestions.
- Start with an introduction that summarizes what the customer has asked for and its purpose. This can be brief – after all, the customer wrote the original and doesn’t need it rewritten – but it should simply demonstrate that the proposer understands the concepts and the program.
- Describe how the firm would do the work. Include staffing, schedule, facilities, production or operations, and any special programs such as safety, quality assurance, procurement, etc.
- Describe the qualifications for this work. List similar projects that have been completed to the customer’s satisfaction give a name and phone number of a contact person for each. List accomplishments of each member of the key personnel team, such as publications, awards and recognition, patents, or other pertinent matters. Demonstrate clearly why your company is the best one to accomplish what the customer has in mind. Describe your organizational and management controls to show that you will be able to run the project effectively.

- Present your estimated costs or your fixed price and describe any conditions or stipulations or limitations on these figures. Cost proposals are typically presented in the following format:

Direct costs (sometimes called Variable Costs)

- Labor
- Materials
- Other direct costs (ODC), such as subcontracts, travel, etc.
  - **Total direct costs**

Indirect costs (sometimes-called Fixed Costs)

- Overhead, sometimes expressed as a percentage of Direct Labor
- General and administrative expenses, sometimes also a percentage of DL or TDC
  - **Total indirect costs**

**Total Costs**

Fee or Profit – never expressed as a percentage of costs in Federal procurement

- Finally, summarize briefly what you have proposed and conclude why your company can do the job best. Be confident and truthful.

#### **F.) Some final thoughts**

- Know your customer's mission and appeal to it in your proposal. Bear in mind that many organizations have more than one mission, sometimes not all clearly apparent.
- Be aware of the culture of the organization and its community, especially when dealing with local agencies that reflect local concerns and customs. Your proposal can express your fluency in such cultural issues as well as your commitment to what the organization is attempting to accomplish with the job you are proposing to do for the customer. You might have to do some research to learn what these issues are.
- If they use the word "demonstrate", they want more than your statement of willingness to comply. Use pictures, hypothetical or genuine case histories, tables of data, or other means to back up your claims.
- Don't promise anything you can't reasonably do for the price and in the time proposed. Be honest. If they want something that can't be done, say so (gracefully of course) and offer an alternative.

- Proposals are more than just price quotations – they should build a relationship between the two parties and form the foundation for a bond that will last throughout the performance of the project. Ideally the contractor and the customer can work as a team to accomplish the mutual goal. Always stress this teamwork approach.
- If at any point during the proposal preparation process, you discover that your goals and your customer’s goals are incompatible, stop the process. Cut your losses before it’s too late by deciding not to bid. Simply notify the customer that you decline to submit an offer this time, and indicate whether you wish to be kept on their bidder list for future opportunities. Always pay them the courtesy of communicating your intentions; don’t just disappear. Thank them for considering you and let them know you will not be bidding; you don’t have to give a reason. If your company’s work is essential to the customer’s program, they might beg you to stay in, and you can then make your concerns known and negotiate to resolve them.

*Note: This proposal writing tutorial is provided as a tool to assist you in your proposal preparation. While the information contained herein should benefit you in your proposal writing efforts, following these steps will not necessarily guarantee that your resultant proposal will be responsive, nor will it necessarily guarantee you a contract award. The SAP&DC PTAC assumes no liability for use of this proposal writing tutorial.*